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## NOTES

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### I. MUNICIPAL GOVERNMENT

#### AMERICAN CITIES

**Ninth Annual Meeting of the National Municipal League**<sup>1</sup> was held at Detroit, Mich., April 22, 23 and 24, with First-Vice-President Richardson in the chair. The papers were about evenly divided between those that might appropriately be called descriptive reviews and those having to do with advance work and a discussion of fundamental principles. The secretary's report, as usual, was a survey of the whole municipal field in the United States. It dealt at length with Mayor Low's administration, pointing out wherein it had succeeded and the serious obstacles with which it and all other reform administrations had to contend, and with the recent elections in Philadelphia, Chicago, Cleveland, St. Louis and Toledo. It further dealt with the progress of the movements for civil service and nomination reforms and for uniform municipal accounting. Important papers on municipal conditions in St. Louis, Chicago, Minneapolis, Wisconsin, Detroit, Indianapolis, Ohio, California and the Philippines were contributed by James L. Blair, general counsel for the World's Fair; Frank H. Scott, vice-president Chicago Municipal Voters' League; W. A. Frisbee, city editor of the *Minneapolis Journal*; Dr. Amos Parker Wilder, editor of the *Wisconsin State Journal*; Sherman D. Callender, attorney for the Detroit Municipal League; Charles C. Brown, editor of the *Engineering News*; Harry A. Garfield, president of the Cleveland Municipal Association; Frank J. Symmes, president San Francisco Merchants' Association, and Dr. Paul S. Reinsch, author of "Colonial Government" and "World Politics."

The paper of Mr. Blair rebutted the idea recently given prevalence that St. Louis had not felt the enormity of the recent disclosures and had not taken steps to correct the evils which had been unearthed. He clearly set forth that on the other hand advances had been made. He described in detail the accomplishment of Rolla Wells's administration of the mayoralty and Joseph W. Folk's administration of the circuit attorneyship.

Mr. Scott's paper on Chicago contained a capital account of the truly remarkable work which had been accomplished by the Voters' League of that city. Mr. Frisbee's description of the "Minneapolis Housecleaning" revealed an almost incredible state of affairs. Dr. Reinsch's paper on "Municipal Government in the Philippines" was based upon a summary of the facts and laws relating to the subject made by Col. Clarence R. Edwards, the well-known chief of the Insular Bureau of the War Department. Dr. Wilder's paper on the "Wisconsin Situation" told of the great advances that have been accom-

<sup>1</sup> Contributed by Hon. Clinton Rogers Woodruff.

plished in that state along municipal lines. The descriptive papers reflected the strength and growth of the whole movement for municipal betterment as represented by the National Municipal League.

The question of a federation of civic forces was discussed at length in papers by J. Horace McFarland, president of the American League for Civic Improvement; Charles Mulford Robinson, secretary of the American Park and Outdoor Art Association; Charles Richardson, vice-president of the National Municipal League, and Charles C. Brown, formerly vice-president of the American Society of Municipal Improvement. One and all spoke in favor of co-operation and federation and a motion was adopted endorsing the idea of a civic alliance put forward by a committee of the American Park and Outdoor Art Association.

The papers discussing advance work and fundamental questions were contributed by Horace E. Deming on Nomination Reform, Dr. John A. Fairlie and Professor John B. Davis on the Teaching of Municipal Government in Educational Institutions, Wilson L. Gill on the School City, and Dr. E. M. Hartwell on Uniform Municipal Accounting and Statistics, on which subjects papers were also contributed by Harvey S. Chase and M. N. Baker.

Mr. Deming's paper dealt with the political principles underlying the movement for direct and open primaries. It cannot well be summarized, but to all who are interested in this phase of the subject it will repay a careful reading. Professor Fairlie's paper displayed his usual care and research, and with the companion paper of Professor J. B. Davis, of the Detroit High School, constitutes a most important contribution to the subject of instruction in municipal government, at which the league has been at work now for three years with significant results. Dr. Hartwell's paper set forth in a striking fashion the inadequacy of the bulk of municipal statistics, reinforcing his argument with numerous telling illustrations. Mr. Chase's paper dealt with the work accomplished in Ohio under the new public accounting act. The proceedings will be published in full this autumn.

The following officers were elected to serve for the ensuing year: Honorary president, James C. Carter, New York; president, Charles J. Bonaparte, Baltimore; first vice-president, Charles Richardson, Philadelphia; second vice-president, Samuel B. Capen, Boston; third vice-president, Thomas N. Strong; fourth vice-president, H. Dickson Bruns; fifth vice-president, Edmund J. James; secretary, Clinton Rogers Woodruff; treasurer, George Burnham, Jr., and the following executive committee: Horace E. Deming, chairman; New York; William G. Low, Brooklyn; George W. Guthrie, Pittsburg; Harry A. Garfield, Cleveland; Hector McIntosh; William P. Bancroft, Wilmington; Elliott H. Pendleton, Cincinnati; James L. Blair, St. Louis; John Davis, Detroit; Dudley Tibbits, Troy; John A. Butler, Milwaukee; Oliver McClintock, Pittsburg; Harry B. French, Philadelphia; Albert Bushnell Hart, Cambridge; Harry T. Atkins, Cincinnati; Davis H. Lawrence, Duluth.

**National Municipal League.**—*Report of Secretary.* The annual report of the secretary of the league, the Hon. Clinton Rogers Woodruff, presents a most encouraging picture of the improvement of municipal conditions throughout the United States. In almost every large city of the United States the

reform party has been successful either in electing its candidates or in scoring a large increase in the number of votes. Even Philadelphia, which for so many years has shown such hopeless signs of apathy, has awakened to the possibility of a new era under the guidance of the recently elected mayor.

*Charter Revision.* In speaking of charter reform Secretary Woodruff says: "In every part of the country the movement for charter reform is manifesting itself, and the publications of the National Municipal League, and especially the 'Municipal Program,' have been widely used. The demand for a larger measure of home rule continues unabated. The intolerable interference by state legislatures, such as we constantly see in Pennsylvania and New York, is in every way working its own cure. It is creating an adverse public sentiment that will eventually clothe our cities with sufficient powers to transact their business free from outside dictation or domination. Denver has just secured a great home-rule victory and is busy preparing to reap the benefits.

*Ohio's Lost Opportunity.* Ohio missed a great opportunity to make a notable contribution to charter reform and the cause of home rule. By a single decision the Supreme Court of the state wiped out the whole network of special legislation and gave to the legislature an unusual opportunity, but it failed to seize it and permitted politics instead of sound public policy to control. As has already been noted, the whole progress of the state toward rational municipal government was halted and turned back to enable the politicians to gain control of a single city. Now that they have signally failed in this, possibly they will give the cities what they have all along needed and in many cases demanded, a fuller and freer opportunity to govern themselves.

*Charter Revision in Chicago.* In Chicago the whole question has become a burning one, and a charter convention has been formed for the express purpose of advancing the project. St. Louis is now utilizing the new powers recently conferred upon her. Minneapolis and Wilmington, Del., are making further efforts to secure new instruments. Los Angeles has secured one which contains many valuable features, not the least important being the establishment of a civil service system to apply to every department of the city.

*Uniform Accounting.* Uniform municipal accounting has also made considerable progress. Ohio passed a public-accounting bill last year, which has since been put into force and effect under the supervision of our own member, Mr. Harvey S. Chase. Similar measures have been introduced, and possibly, by this time, passed, in the legislatures of Illinois, Massachusetts, New York, Wisconsin and Michigan. Boston, Baltimore and Chicago have municipal statistical bureaus. As a whole session of the present conference will be devoted to the subject, nothing further need be said in this connection, except to chronicle the sad and untimely death of Mr. Charles Waldo Haskins, who remodeled the Chicago accounts and was an honored and useful member of the league's committee on uniform municipal accounting.

The report makes a plea for a consolidation or rather closer co-operation of the agencies that are now striving for municipal improvement:

"The rapid multiplication of agencies for municipal improvement has created a sentiment in favor of co-operation to increase efficiency and elimi-

nate possible duplication of efforts. So we find numerous city and state federations, and there is really no reason why there should not be a federation of all the national civic bodies, hence the consideration of this subject at the present session of the National Municipal League and its discussion by representatives of the several bodies most deeply interested. The American Park and Outdoor Art Association at its last annual meeting appointed a committee to deal with the whole subject, and out of this and the activities of kindred bodies working along similar lines we may expect something substantial."

**Montana.**<sup>2</sup>—*Quasi Public Works.* The legislative assembly of Montana has enacted a law which absolutely forbids the granting of any franchise whatever by a city or town council until the proposed franchise has been approved by a majority vote of the tax-paying freeholders resident in the city.

The report of the state commissioner of statistics shows franchises already in effect for waterworks in Butte, Helena, Anaconda, Missoula and Kalispell, and for street-car lines in Butte, Great Falls, Helena, Anaconda and Bozeman. The cities of Great Falls, Bozeman, Lewistown, Miles City, White Sulphur Springs, Red Lodge, Philipsburg and Fort Benton operate their own waterworks; the cities of Dillon and Chinook are establishing waterworks the present season, and the city of Helena is negotiating for the acquisition of the private plant. Miles City operates an electric light plant in connection with the waterworks.

**Massachusetts.**—*Uniformity in Municipal Accounting.*—During the last few years the movement in favor of uniformity in municipal accounting has borne fruit in a number of states. The desirability of such a system is generally recognized by every student of municipal affairs and in a number of cases has been urged upon the legislatures by the executive officials of various states. Governor Bates in his recent message to the Massachusetts legislature, puts the case very strongly in the following terms:

"Uniformity in city government is to be desired. General laws based on the experience of municipalities in the past would be of benefit to all. There should be provision by which each municipality could profit from the experience of the others. It has recently been brought forcibly to the public attention that there is no uniform system of municipal accounting in this commonwealth such as would permit the contrasting of the expenses of one municipality for a given purpose with those of another for the same purpose, thereby revealing extravagance, if such existed, and tending to encourage more economical administration.

"A law which would provide for such uniformity in the keeping of the accounts as would render possible such comparison would be of great benefit. Through the publicity which such a system would make possible, not only would greater economy be effected, but also useful knowledge would be obtained bearing upon the problems of municipal industries such as furnish water, gas and electricity. I may also add that the adoption of such a system would tend to the advantage of the municipalities in the matter of their credit, which would appear in the reduced rates at which bonds might be issued. Good

<sup>2</sup>Communication of H. H. Swain, President Montana State Normal College.

results have been derived from the laws in this state providing for a uniform system of accounting under which reports are made to the controller of county accounts. Uniform municipal accounting is but another step in the same direction. I trust you may find it possible to take favorable action along this line. This need not result in the establishment of a new department, but should properly be made a part of the work of the state auditor's department."

**Pennsylvania.**—*Ownership of Public Works.* The governor of Pennsylvania has recently vetoed a bill passed by both houses, which was designed to hand over to private corporations the drainage systems in townships of the first class. The governor's veto message is interesting, as it indicates his attitude towards the question of the ownership of public utilities. He points out that the maintenance of a system of sewerage is a municipal function and that sewers ought not to be made a subject of barter and sale.

Continuing, he says, "A private corporation is not a means well adapted for the performance of necessary public work. There is a divided duty. The service to the public is always affected by the fact that it is important to make a profit for the holders of stock. The bill authorizes the taking or improving of private property, under the guise of public benefit, and then authorizes the sale of this property to individuals or corporations, who presumably would not buy unless they could be assured a profit to themselves. If the time is come when there is need for township sewerage, the means ought to be provided by the townships, and the ownership ought to remain with them. The tendency of corporations to secure control of public works with a view to anticipated profits, and the easy-going disposition of the representatives of municipalities to permit such control to be secured, ought not to be encouraged or extended."

**Direct Nominations.**<sup>3</sup>—The system of direct nomination of candidates is constantly finding greater favor. During the past year the governors of nine states, Maine, Vermont, Massachusetts, New Jersey, Michigan, Wisconsin, Colorado, Texas and Oregon, referred to the subject of nomination reform. In the legislatures of twenty states, Massachusetts, New York, New Jersey, Virginia, South Carolina, Texas, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Missouri, Nebraska, Kansas, North Dakota, California, Idaho, Washington, Oregon and California, bills were introduced dealing with the question in some phase or other. Six states, Massachusetts, New York, New Jersey, Texas, Michigan and Wisconsin, passed primary bills. The Massachusetts law established direct primaries in Boston, and the law may be extended to cover all the cities in the state if successful there. The New Jersey law establishes direct primaries throughout the state. The New York law amends the existing statute and applying only to Greater New York is designed to prevent colonizing. The Michigan laws (three in number) establish direct primaries in Wayne, Kent and Muskegon Counties, the three most populous in the state. The Wisconsin law, which is the most complete and far reaching, does not become operative until after the voters have a chance to vote on it at the November, 1904, election.

The salient feature of these laws is the fixing of a single day for all

<sup>3</sup>Contributed by Clinton Rogers Woodruff, Secretary National Municipal League.

primaries; official supervision; the application of the principle of the Australian ballot, and provisions that the candidates receiving the highest votes shall be declared the nominees, thus eliminating the easily controlled and all too frequently corrupt nominating conventions. The success of the Minnesota law has proved to be a great stimulus to all direct nomination reformers.

**New York City,**<sup>4</sup>—*Plan for Relieving Taxation.* A forty-four page pamphlet has recently been issued which contains interesting information relative to a proposed plan to relieve taxation in New York City. Besides the text of a proposed legislative act, this pamphlet contains letters from Messrs. Stevenson, Grout and Levey, explaining the measure; memoranda of laws and ordinances relating to the sinking fund; and opinions upon the constitutionality of the plan by Judge Dillon, Mr. G. L. Rives, corporation counsel, Messrs. Strong and Cadwalader, Shepard and Whalen.

The so-called sinking fund problem which New York is called upon to solve arises from the fact that the city is annually placing in its sinking fund sums greatly in excess of the amount necessary ultimately to redeem the obligations which that fund is designed to meet. In 1844 an ordinance was passed appropriating to the sinking fund certain sources of revenue, such as the income from docks, water rents, license and franchise fees. In 1878 the legislature readjusted the sinking fund system by passing the "Bonded Indebtedness Act," section four of which contained a contractual pledge, by which certain revenues of the city were pledged to the sinking fund for the redemption of the city debt until all of the said debt was paid.

From this effort to throw every possible safeguard around the city's obligations has arisen the present embarrassing situation. The revenues pledged by the law of 1878 are so much in excess of the proportionate annual amount necessary to meet the ultimate obligation of the fund, that in 1928, when the final obligation is due, it is estimated there will be in the sinking fund nearly three hundred million dollars in excess of the amount required to redeem its obligations. (The excess during 1902 was \$8,465,106.)

The "sinking fund burden," then, is due to the fact that there are annually being collected and paid into the sinking fund sums greatly in excess of the amount needed ultimately to meet the obligations of that fund. The income from dock and water rents, franchise and license fees, etc., which in 1878 was not more than sufficient for sinking fund purposes, is now greatly in excess of the amount so needed. But no part of this income from these sources can be diverted from the sinking fund for the general purposes of the city, on account of the contract feature of the law of 1878, which contained a pledge to creditors that the funds then being paid into the sinking fund should continue to be paid into it until its obligations were canceled in 1928. The difference between the amount really needed for the sinking fund and the amount actually paid in (in 1902 over eight millions) is the additional burden placed upon the taxpayers by reason of this law.

Mr. James W. Stevenson, deputy comptroller, has proposed a plan to relieve this situation. This plan is, in brief, to authorize the annual issue of bonds to be known as "general fund bonds," to an amount equal to the

<sup>4</sup> Contributed by W. B. Guitteau, Toledo, Ohio

difference between the annual net revenues of the sinking fund and the amount which would be required by that fund for scientific debt amortization. Such bonds to be purchased only by the commissioners of the sinking fund, and the proceeds paid into the fund for the reduction of taxation. Interest is to be paid on these bonds, but upon their cancellation no payment of cash into the sinking fund is to be made, provided that at that time all outstanding bonds redeemable from the sinking fund are paid. In other words, the proposed general fund bonds are only nominal additions to the funded debt, whose sole object is to render available for general purposes revenues which must be paid into the sinking fund, but which are in excess of the requirements of that fund. It is an admittedly technical device to meet a technical and artificial condition.

The plan thus briefly outlined has been approved by Mayor Low, Comptroller Edward M. Grout and Edgar J. Levey, former deputy comptroller. Opinions of five leading New York attorneys are given at length, all of whom agree that the proposed measure is constitutional. Judge Dillon declares: "In my opinion, not only will the proposed statute, if enacted, be free from objection on constitutional or other legal grounds, but its enactment is desirable and advisable so far as it concerns the city's creditors, as well as so far as it concerns the city." Messrs. Strong and Cadwalader, while agreeing that the plan is "technically legal," point out that while in *form* it authorizes an issue and purchase of bonds (thus complying with the legal requirement that sinking fund revenues must be invested in corporate stock of the city), in *substance* the plan is nothing but an application of sinking fund moneys to the general expenses of city government; "an application not towards the reduction of city debt, but to the relief of taxation, a purpose which though permitted by the *letter* of the contract, is certainly contrary to the *purpose* it was designed to accomplish." The feature of the plan of especial interest to taxpayers is that it would reduce taxation by 10 per cent at present, and by a still larger percentage in subsequent years.

**The Municipal Association of Cleveland.**<sup>5</sup>—The Municipal Association of Cleveland interests itself in a wider range of activities than those which engage the attention of the greater number of good-government organizations in other cities. Because the political affairs of the county of Cuyahoga and of the city of Cleveland are closely related, it exerts its influence in the selection of county officials as well as in the selection of officials whose duties are purely municipal. The direction of public expenditures, the conduct of officials and matters of administration have been regarded as proper subjects for its consideration.

An opinion rendered by the Supreme Court of Ohio in the spring of 1902 made necessary the convening of the legislature in extraordinary session for the enacting of a uniform code for the government of Ohio municipal corporations. Prior to the meeting of the legislature the executive committee of the association made a careful study of representative codes in operation throughout the country and collected a considerable amount of information, both academic and practical, bearing upon the subject. The association availed itself

<sup>5</sup> Contributed by F. E. Stevens, Secretary Municipal Association of Cleveland.



of an opportunity offered, through invitation from the code committee of the legislature, to submit its conclusions. Two members of the executive committee, having been delegated for that purpose, urged upon the legislature the adoption of the "Federal Plan" of municipal government. The "Federal Plan" corresponds in all essential details with the municipal program prepared by a committee of the National Municipal League. The executive committee of the association was unanimous in its recommendation of this system. The legislature adopted a board plan of government similar to that which for some time has been in force in Cincinnati.

The association has striven for non-partisanship in local affairs. The election of county officials in November last was peculiarly gratifying from this point of view. In its published bulletins giving records and qualifications of the twelve officials elected on the county ticket the association recommended six, indicated a preference for two, assumed a neutral or indifferent attitude as to three and urged the defeat of one. Seven Democrats and five Republicans were elected with pluralities ranging from 500 to 9,000.

In the municipal campaign of this year the association opposed the re-election of Hon. Tom L. Johnson to the mayoralty. In giving the reason for this opposition the bulletin said: "We condemn as inimical to public morals his lax treatment of the midnight and Sunday closing ordinances and as dangerous to good government his system of demanding and receiving from councilmanic candidates pre-election pledges. . . . When machine builders and political bosses seek election to office they should, in the judgment of the association, be opposed, even though as men they bear good reputations." Mr. Johnson was elected on a platform pledging him and the candidates on his ticket to every effort to secure the installation of a street railway system with three-cent cash fare and universal transfers.

*Street Railways.* Mayor Johnson's efforts to establish a new street railway system are now claiming public attention. Some time ago an ordinance passed the city council inviting competitive bids for the construction of street railway lines along eleven routes prescribed in the ordinances. This measure specified that bids would not be considered which provided for a rate higher than three-cent cash fare. But two bidders responded asking for franchises over only two of the routes. One of the bidders desires a franchise as a link in a proposed suburban line. The other bidder, the People's Railway Company, asks a franchise over one of the more desirable routes. Three-cent cash fare, five tickets for fifteen cents and universal transfers over all lines hereafter to be constructed by the company or its successors are offered.

Mayor Johnson states that he is not disappointed over the failure to secure a greater number of bids. He anticipates a contest in the courts and is of the opinion that this contest will be simplified if it involves but one route. Legal obstacles having once been removed, he claims that additional lines may more readily be constructed through the medium of grants of extensions to the established line than through original grants of franchise.

The Cleveland Electric Railway Company, which owns all existing lines, has made a formal protest, basing its objection principally upon the claim that it was unable to submit proposals for the construction of lines over the new

routes because of the provision limiting the rate of fare to three cents. This provision it claims works a hardship and cannot be complied with. This company will at an early date apply to the city council for franchises permitting it to extend its lines over some of the routes prescribed in the three-cent fare railway ordinances. A spirited contest will undoubtedly result. The Cleveland Electric Railway Company now sells six tickets for twenty-five cents and provides universal transfers. These terms have been in force since July 1 of this year.

**Cincinnati.**<sup>6</sup>—*Civic Organization.* During the recent spring campaign there was organized The Citizens' Municipal Party. Since the election, in which this new party was overwhelmingly defeated, it has been deemed wise to continue the organization. An executive committee composed of active and fearless men has been chosen, and this committee will guard the rights of all citizens. Already the re-trial of a former official charged with embezzlement has been demanded, and the prosecuting attorney has consented. The committee is likewise demanding that suits against the bondsmen of other defaulting officials be prosecuted. The committee is issuing a four-page weekly, called *The Citizens' Bulletin*, devoted to the interests of good local government.

*Constitutional Amendments.* The electors of the State of Ohio will have an opportunity of voting for five constitutional amendments this fall. (1) Granting the governor a veto. This amendment, unlike the provision of the United States Constitution and those of most of the states, gives the governor the power of disapproving of any part of a bill, and also provides that to override the veto on repassage, the bill must receive, in addition to a two-thirds vote, at least the same number of votes that the measure had originally. Owing to these peculiar features the amendment has been disapproved of by the State Bar Association, but as the Republican Convention indorsed the same, it will undoubtedly become a law. (2) To abolish the double stock liability of corporations; this amendment has been indorsed and will no doubt prevail. (3) To give each county at least one representative in the house of representatives; this also will prevail. The other two amendments, one (4) providing for the classification of property for purposes of taxation, and (5) providing for three classes of cities, 100,000 or more, less than 100,000 and more than 25,000, and less than 25,000, so as to permit legislation by classes, have not been indorsed by the Republican Convention, and will, therefore, probably fail.

Heretofore votes on constitutional amendments have been on separate ballots, but this year by law it has been provided that any party may approve or disapprove of any amendment, and that when this is done, such amendment shall be printed on the official ballot, and a vote for the straight ticket shall be counted as a vote in favor of the action taken by the party on the amendment. As the Republican party is the dominant party in Ohio, and as that party has declared in favor of giving the governor a veto, abolishing double-stock liability on corporations, and giving each county at least one

<sup>6</sup>Communication of Max B. May, Esq., Cincinnati, Ohio.

representative in the house of representatives, it is believed that these amendments will be adopted, and that the others will fail.

**Providence.**—*Street Railways.* By act of the General Assembly, May 23, 1893, the Union Railroad Company was given an exclusive franchise in Providence for twenty years from May 3, 1892. The contract with the city contains the usual provisions for paving and for the ordering of new lines or change of old ones by the city. The rate of special tax on gross earnings was 3 per cent up to 1897; 5 per cent since then. The act did not provide for transfers, and for ten years the people demanded them in vain. Eighteen months ago, to meet the rising tide of public sentiment, the company put forward a transfer station plan. This met with such disfavor that it was finally dropped. The company, however, announced itself as "unalterably opposed to transfer tickets," but the re-election of Mayor D. L. D. Granger in November, 1901, on that issue, by a vote more than double that of his opponent, opened the eyes of the company. We now have transfer tickets, but it took ten years to get them. The Union Railroad Company sold out or was leased in 1895 to the United Traction Company of New Jersey, which in turn sold to the Rhode Island Company last spring, and it, in turn, to the Rhode Island Securities Company. In this last transaction was a lease of the lines for 999 years, during which period there is a guarantee of 5 per cent on the \$8,000,000 stock of the Traction Company. The men in these companies are for the most part the same. They desire *a perpetual franchise*, and they think they have it. By the terms of an act passed by the legislature in May, 1898, by which the company is to pay to the state an annual tax of 1 per cent on its gross income, it was guaranteed all the rights and privileges it then had, *so long as it should pay that tax*. However, it is doubted by many good lawyers whether this does give a perpetual franchise. The company's property is probably worth something like \$5,000,000. It is capitalized (stock and bonds) at \$17,000,000; and is taxed for \$1,396,000.

After some years of agitation, the street railway employees obtained from the legislature last spring, a law making ten hours within twelve, a day's work for them. This is similar to the Massachusetts law. The company at first announced that it would comply with the law, but at the last moment it posted notices telling its employes that any who wished to work the ten hours could do so, but with a corresponding reduction in wages (10 to 20 per cent), and also advising them that they could make a special contract to work the old hours, despite the law. The men, recently organized, struck, except a few of the oldest. The strike, possibly injudicious, and at any rate not well managed, was broken by the importation of professional "strike-breakers," furnished by a combination of the street railroad companies of the country, and the men are nearly back at work again. Several indictments have been found against the company, and the cases will be carried to the United States Supreme Court, to determine whether the law is constitutional. Meanwhile it is nullified.

The following table shows the receipts from the special taxes laid on the gross income of the four companies working the public utilities:

*Table of the Special Taxes on Gross Receipts of the Public Utilities Corporations of Providence.*

YEAR ENDING JUNE 30.	Telephone Company.	Gas Company.	Electric Light Company.	Street Railroad Company.	Total.
1892 .....					\$7,025
1893 .....	\$2,325	\$15,749	\$7,661	\$22,346	48,081
1894 .....	2,498	16,097	13,725†	22,070	51,465
1895 .....	2,555	17,123	9,037	24,413	53,128
1896 .....	2,821	18,702	13,102	27,430	62,065
1897 .....	3,131	16,500	13,705	26,745	60,281
1898 .....	3,091	17,504	14,364	45,368	80,327
1899 .....	3,264	19,474	25,434	46,004	94,176
1900 .....	5,360*	21,254	27,548	51,174	105,336
1901 .....	7,878	21,758	29,107	58,435	117,178
1902 .....	8,775	22,794	33,319	61,092	125,980

\* Nine months.

† Fifteen months.

The \$7,025 in 1892 was for "use of streets."

Rates of taxes are as follows:

Telephone Company, 1½ per cent to and including 1899, 3 per cent after that.

Gas Company, 3 per cent.

Electric Light Company, 3 per cent to and including 1898, 5 per cent after that.

Street Railway Company, 3 per cent to and including 1897, 5 per cent after that.

*Water Works.*—The Providence Water Works is the only public utility owned and managed by the city. The cost of construction and maintenance to September 30, 1901, was in round numbers, nine millions, and interest payments the same. Total receipts were \$11,000,000, covering interest and reducing net cost to \$7,000,000. Last year the receipts were \$615,000, and after interest and cost of management were paid, \$252,000 was added to the sinking fund, which now amounts to about a million dollars. Rates are moderate, being a minimum of \$10,000 a year per dwelling house when a meter is used, and twenty cents per 1,000 gallons for excess over the limit of 50,000 gallons.

The city has just contracted for a sand filter plant to cost a million dollars. At the present rate the receipts will pay the added interest and sink the new debt long before its maturity. Comparing the water works with the four other public utilities, we find that their special tax was \$125,900 in 1902, and their regular tax on property about \$70,000, making a total revenue of about \$196,000. The water works alone gave a net revenue of \$252,000. Managed so quietly and easily as to attract no attention, and with such splendid financial success, it is a standing answer to the doctrinaire objectors to municipal ownership.

**Duluth.**<sup>7</sup>—*Civic Activity.* One notable demonstration of sustained civic progress may be cited. Duluth has made a success of the municipal administration of her gas plant, and is now furnishing gas to consumers for all purposes at \$1.00 per thousand feet, with 90 cents per thousand in clear view in the near future. It so happens, that, in connection with the establishment of a new local industry, to-wit: the manufacture of coke, a gas suitable for lighting and heating purposes is to be generated in large quantities as a by-product. This naturally led up to the question of reaching the consumers now supplied by the municipal plant, and the question of buying or leasing the municipal gas plant was seriously broached.

The city was put to the test and the permanency of municipal control determined. It was a crucial moment, but the civic spirit of the citizens generally and of the board of Water and Light Commissioners and the common council, in particular, was too well developed to permit any such retrogression, and the principle of municipal control remained triumphant.

The upshot of the matter was an amicable and wholesome arrangement with the private company by which the city, under conditions dictated by it and on a most favorable and graduated basis of cost, will become the exclusive customer of the private company for and the sole distributee of all gas consumed by the citizens of Duluth for heating and lighting purposes, the city receiving the gas into its pipes at the line of the company's property and retaining exclusive control over the distribution thereof and over its present plant and all future extensions thereof.

#### FOREIGN

**New South Wales.**—*Street Railways.* Throughout Australia the railroads are the property of the government with one or two quite unimportant exceptions. The street railways, or tramways as they are called, are also owned by the government in some states, while in others they are the property of private companies. In New South Wales, which is the oldest state on the continent, the tramways belong to the government and are under the control of the railway commissioners, to the chief of whom, Mr. C. N. J. Oliver, we are indebted for most of the information contained in this communication.

The principal system of tramways is located in Sydney, the capital city of the state, which has a population of about 500,000 persons. As far back as 1861 the government recognized the necessity for improving the means of transit in the city and suburbs and established a system of horse-trams, which, however, after a fitful experience of some five years was discontinued. Nothing more was done in this direction for thirteen years when, for the purpose of forming a means of connection between the railway terminus and the great exhibition of 1879, a line of steam trams was built. The success which attended this experiment was so great that rapid extension took place and was continued uninterruptedly until four years ago, when the electric system was introduced, which is rapidly superseding steam traction. Mean-

<sup>7</sup> Communication of W. G. Joerns, Esq., Duluth.

while some few miles of cable system has been laid, but the electric traction proving so superior it will soon be wholly converted.

At the present time there are about 87 miles of tramroad, equaling 130 miles of single track, within the city and suburban area, established at a capital cost of about two and one-half million pounds. Rapid extension is still proceeding and other routes will shortly be opened for traffic.

Under the Government Railway Act the commissioners have conferred upon them

“All necessary rights of ingress and egress in, to, and over the surface of any street, road, highway, or thoroughfare, proclaimed, reserved, or dedicated for the use of the public, or subject to any public easement,

for the purpose of constructing, repairing, and maintaining the tramways. They are also empowered to “open up the surface of any road” for the same purposes; and may

erect, support and maintain above the level of, and across any such road, such wires and other electric apparatus as are, in their opinion, necessary for the official use and maintenance of electric traction on such tramways.”

This act also confers upon the commissioners the power to make by-laws, which, after publication in the “Government Gazette,” have the force of law. One of these by-laws enacts that

“Any person who shall without authority interfere with or alter any part of the tramway, or any work connected therewith, or with any mechanical or electrical appliances used in the working thereof, or shall wilfully place or throw or allow to be placed or thrown any gravel, stones, dirt, refuse, or other material whatsoever, in or upon any part of the tramway lines, or the works or wheels in connection therewith; or shall wilfully do, or cause to be done, anything which shall obstruct the free passage of any engine, motor, or vehicle used on the tramways or endanger the lives of persons traveling thereon shall be liable to a penalty not exceeding £10.

Considerable conflict of opinion exists between the municipal authorities and the government as to the disturbance of the powers of the former over the streets because of the authority given to the railway commissioners. The following sections of “The Railway Act of 1901” define the extent of the commissioners’ authority within municipal areas:

“The commissioners may construct tramways for conveying passengers and their luggage along any route within the city of Sydney and the suburbs thereof which may be approved by the governor, notwithstanding anything to the contrary contained in or implied by the Sydney Corporation Act of 1879, the Municipalities Act 1897, or any other act whatsoever.

“Provided that nothing herein contained shall impair or be held to impair the lawful authority of the municipal council of the city of Sydney, or of the council of any municipality, or of any other corporation, company, or person to make all entries, and exercise all other

powers necessary for the construction, maintenance, and preservation of gasworks, waterworks, sewerageworks, and other works lawfully constructed underground in such streets, roads, highways, or thoroughfares along which any such tramway passes.

"The tramways shall in every case and throughout their course be laid at or about the general level of the streets and highways along which they are to be constructed, but the commissioners may with the consent of or by mutual agreement with the municipal council in which is vested the control and management of any street or highway alter and improve the levels thereof.

"Provided that all reasonable expenses incurred in the re-formation of the said streets or roads so altered and improved shall be borne by the commissioners unless otherwise agreed upon.

"The commissioners shall maintain in perfect order and repair the said tramways and the pavements of the same between the rails of the said tramways, and for the space of one foot and six inches on either side of such rails.

"The commissioners shall immediately repair any damage which may during or by reason of the construction of the said tramways be occasioned to any sewer, or drain, or gas or water main, and shall also repair all damages which may be occasioned by the working of the said tramways.

"The commissioners may erect buildings or other structures for the purposes of the said tramways, and may construct lines of approach thereto."

It will thus be seen that the commissioners have absolute power over the streets so far as the tramway system is concerned.

The municipal council contend that they are entitled to receive from the commissioners a rental for the use of the streets, their argument being that they are charged with the responsibility of maintaining the streets in good order and keeping them clean, and yet the tramway authorities are permitted to make the fullest use of the streets without making any contribution whatever to the revenues of the council. To this the commissioners reply that not only do they make and maintain the entire track of the tramways and eighteen inches beyond the outer rails (a total width of about twenty feet on a double track), but they carry vast numbers of passengers who otherwise would use omnibuses and other vehicles. Hence they contend that the municipal council is saved the cost of making good the wear and tear on the streets which other passenger vehicles would cause, and are moreover relieved of the entire cost of maintaining about a third of the roadways along which the trams pass.

Whatever may be said in favor of the municipal control of tramways, the fact remains that in Sydney at all events there is no central municipal authority to exercise control over the city and suburban areas. Whether or not the present system best meets the requirements of the people may be judged by the success which has attended the scheme. In this connection it is interesting to note that the expenditure on construction and equip-

ment throughout the whole state (the great bulk being in the metropolitan area) increased from £877,000 in 1888 to £2,830,000 in 1902. The mileage open to traffic in the same years increased from 38 to 104, and the earnings from £236,000 to £632,000. No statistics were kept for the former year of the number of passengers carried, but in 1902 the number exceeded 108,000,000, being an increase of nearly 15,000,000 on the figures for the previous year. A splendid service of trams is provided and the fares are remarkably low. The routes are divided into penny sections averaging two miles in length, the longest through run being eleven and one-half miles for which the fare is sixpence.

As already pointed out, in several of the principal cities of the other states the tramways are run by private enterprise, but in Sydney they are state-owned. Whatever may be the drawbacks of government undertakings in other directions, so far as the tramways are concerned the result has been the introduction of a most excellent system, ably controlled and meeting with the general approval of the public.